

## State Tax Commission Supervising Preparation of the Assessment Roll

Michigan Compiled Law (MCL) 211.10d(9) states, “An assessor who certifies an assessment roll in which he or she did not have direct supervision is guilty of a misdemeanor.” When signing the assessment roll, Assessors of Record are required to annually certify that they have met the following guidelines:

1. Form 4689, *STC Request for Changes in Personal or Employment Information for a Certified Assessor*, must be filed with the State Tax Commission by the certified assessor within 30 days of becoming the Assessor of Record for a local unit of government or Equalization Director for a county, or when a change in contact information occurs.
2. The assessor must sign the pre-Board of Review assessment roll certificate for the current assessment year by the first Monday in March or by the date specified by charter for delivery of the assessment roll to the Board of Review.
3. The assessor or the assessor’s assistant(s) must timely deliver the certified assessment roll (original hard copy) to the local Board of Review for its required March meetings.
4. The assessor or the assessor’s assistant(s) must timely deliver an original hard copy of the assessment roll to the County equalization department. This assessment roll is to have attached a post-Board of Review certificate which must be signed by the Board of Review.
5. The assessor or the assessor’s assistant(s) must timely provide a copy of the assessor’s database to the County equalization department.
6. The assessor must complete, sign (where applicable), and timely submit State Tax Commission Forms L-4021 and L-4022. These forms are to be submitted to the County equalization department and Form L-4022 is also to be submitted to the State Tax Commission.
7. The assessor must file all required State Tax Commission and equalization forms in a timely manner (in accordance with the State Tax Commission calendar and applicable statutes and administrative Rules).
8. The assessor or the assessor’s assistant(s) must perform the following specific duties annually (if an assistant, the assessor must have direct supervision in all of the following tasks):
  - a. Appraise and assess taxable property (including new construction and including ensuring the taxable value uncapping of property following transfers of ownership).
  - b. Prepare and maintain the assessment roll, property classifications, property descriptions, special act rolls and other assessment records and have an established procedure to update records on a regular basis.
  - c. Attend Board of Review meetings if requested by the Township or City.
  - d. Attend meetings with the public at the Township or City municipal office facility.

- e. Assist legal counsel in the prosecution or defense of cases arising out of assessment administration activities.
  - f. Appear before the Michigan Tax Tribunal (both Entire Tribunal and Residential Property and Small Claims Division) to defend property tax appeals.
  - g. Appear before the Township or City governing body when requested.
  - h. Conduct personal property canvasses.
  - i. Ensure the accuracy of land divisions and splits and combinations of parcels.
  - j. Respond to general inquiries for assessment records and inquiries for assessment records made under the Freedom of Information Act. Assessment records identified in MCL 211.10a must be made accessible and available for inspection and copying by the public regardless of the location of the records (e.g., local unit public offices, office/home of the Township Supervisor, office/home of the assessor, other). The assessor must identify when records are available for inspection and copying as required by MCL 211.10a.
  - k. Provide reports to the Township or City governing body when requested.
  - l. Ensure that the mass appraisal methods and procedures employed are in compliance with requirements of the *Uniform Standards of Professional Appraisal Practice* and the State Tax Commission's *Assessor's Manual*.
9. Pursuant to MCL 211.10e, the assessor or the assessor's assistant(s) must use only a current version of the State Tax Commission *Assessor's Manual* or other STC approved manual.
10. Pursuant to MCL 211.10e, the assessor or the assessor's assistant(s) must use, maintain and calculate as necessary, the following assessment records:<sup>1</sup>
- a. Appraisal record card system
  - b. Personal property record system
  - c. Tax (cadastral) maps
  - d. Economic condition factor determinations
  - e. Land value determinations
  - f. Current year assessment roll
  - g. Photos of dwellings and outbuildings affixed to appraisal record cards and/or stored electronically using assessing software
  - h. Homeowner's principal residence and qualified agricultural property exemption documents
  - i. Record of site visits to individual parcels
  - j. Historical assessment data
11. The assessor or the assessor's assistant(s) must ensure that the assessment roll contains the following information:
- a. Name and address of property owner
  - b. Legal description or approved parcel identification number
  - c. School district code
  - d. Property classification
  - e. Assessed valuation
  - f. Capped valuation
  - g. Taxable valuation
  - h. Board of Review valuation column

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<sup>1</sup> MCL 211.10e, as amended by 2018 PA 660, removes land value maps as a required record to be maintained.

- i. Michigan Tax Tribunal and/or State Tax Commission valuation column
  - j. Homeowner's principal residence or qualified agricultural property exemption percentage
  - k. Date of last transfer of ownership
  - l. Leasehold improvements identifier, if applicable
  - m. The value of Mathieu Gast non-considered improvements (under MCL 211.27), if applicable
12. The assessor or the assessor's assistant(s) must ensure that the true cash value on the appraisal record cards matches the true cash value indicated by the assessor's value on the assessment roll.

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## Property Assessing Reform Proposal Frequently Asked Questions

### General Information:

#### What is Property Assessing Reform?

In its simplest form Property Assessing Reform, P.A. 660, provides a statutory framework to ensure proper assessing in order to guarantee the highest quality assessments for taxpayers as well as local units. The Act defines the requirements for a local unit to be determined to be in substantial compliance with the General Property Tax Act, provides timetables for audits as well as follow up audits and provides a process for bringing a local unit into compliance if they remain non-compliant after a follow up review (also known as the designated assessor).

The Act also mandates training for local unit Boards of Review and allows for local units to combine Boards of Review for efficiency purposes and provides for a village located within two assessing districts may request that the assessment of property be completed within one of the districts.

#### How does the reform benefit taxpayers, local units, and the state?

By ensuring accurate, uniform, and equitable assessments across the state, reform will significantly reduce the unnecessary costs associated with incorrect assessments. When errors occur, taxpayers, local units, and the state are all negatively impacted—*in fact, the state's interest is substantial, as roughly half the property tax on non-PRE property (the 24 school mills), and roughly a third of all property taxes, is essentially a state revenue source.*

Not only do errors raise the risk of taxpayers being over-assessed and unfairly taxed or local units and the state having their revenues improperly reduced, but they also often generate litigation expense, as the aggrieved party is forced to appeal simply to enforce constitutional and statutory requirements. Further, by reducing faith in the system, errors create a culture of litigation that forces local units to allocate more resources to defending correct assessments. All of these costs are associated with the quality of the initial assessment. As assessment quality increases, these costs to taxpayers, local units, and the state will drop significantly.

#### The AMAR audits just started—why aren't we giving them time to work?

The AMAR reviews are in the 2<sup>nd</sup> five year cycle. What those audits have demonstrated is that while certain individual units may face unique challenges with assessing, there are also some systemic deficiencies with our assessing system that need to be addressed. The minimum quality standards are designed to address those systemic deficiencies, which will allow the AMAR audits to work more effectively on addressing challenges faced by individual local units.

### **Isn't this just county assessing by another name?**

No. While participating in county assessing is always an option, local units can continue to do their own assessing or share an assessor of record with another local unit. The only requirement is that every city, township, and county in the state meet certain specified minimum quality standards. The objective is not to move every local unit to county assessing but to ensure accurate, uniform, and equitable assessments across the state that meet statutory and constitutional requirements.

### **What is an assessing district?**

An assessing district is defined in the statute as City, Township, Or Joint Assessing Authority.

### **Does this force local units to give up their assessing function?**

No. With the changes in P.A. 660, there are also consequences if a local unit does not correct assessing deficiencies identified in the AMAR. As with the current AMAR process, the statute provides for an initial AMAR and a corrective action plan to be approved by the STC. The statute then provides for a follow up review to be conducted in accordance with the approved corrective action plan. If after that follow up review, the local unit remains in non-compliance then the local unit has two options: they can employ or contract with a new assessor of record at the Advanced or Master Level or they can contract with the Designated Assessor for the County to serve as their assessor of record.

### **Does the proposal eliminate all MCAO Assessors?**

No.

### **Local assessing works in my community—why are you asking us to change?**

To the extent a local unit is currently meeting the minimum quality standards, no change is necessary. If a local unit is not meeting the standards, they have options, they can employ or contract with a new assessor of record at the Advanced or Master Level or they can contract with the Designated Assessor for the County to serve as their assessor of record.

## **Designated Assessor**

### **What is a Designated Assessor?**

The Designated Assessor is part of a process to ensure that local units are in compliance with the statutory provisions of the AMAR. In other words it is part of a process to make sure that local units are meeting minimum assessing requirements.

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review, the local unit remains in non-compliance then the local unit has two options: they can employ or contract with a new assessor of record at the Advanced or Master Level or they can contract with the Designated Assessor for the County to serve as their assessor of record.

### **Who are the Designated Assessors?**

The statute provides the process for determining who the Designated Assessors are. Each County is required to enter into an interlocal agreement that designates the individual who will serve as the County's Designated Assessor. That interlocal agreement must be approved by the County Board and a majority of the assessing districts in the County. Once the interlocal agreement is approved, it is sent to the State Tax Commission for final approval. The STC will determine if the individual named as the Designated Assessor is capable of ensuring they can achieve and maintain substantial compliance for any local unit that contracts with them.

### **So, the County will automatically be the Designated Assessor?**

While the County can certainly be named the Designated Assessor, it is not an automatic designation as the Designated Assessor is determined by the approved interlocal agreement.

### **How will locals pay for the Designated Assessor?**

The Designated Assessor will serve in place of the local unit's current assessor. It is expected that using the money from that current salary will help offset the costs of the Designated Assessor. Additionally, as previously mentioned, errors raise the risk of taxpayers being over-assessed and unfairly taxed or local units and the state having their revenues improperly reduced, but they also often generate litigation expense, as the aggrieved party is forced to appeal simply to enforce constitutional and statutory requirements.

### **Boards of Review:**

#### **We heard that Boards of Review are now going to be at the County level and no longer in each local unit?**

While the statute provides that Boards of Review can be combined across two or more contiguous local units, it does not mandate that Boards of Review be combined or that Boards of Review are moving to the County.

#### **Is it true that training is now mandated for Boards of Review?**

P.A. 660 requires that the STC audit to ensure that local units require their Boards of Review to receive training and updates as approved by the STC.

**We can't recruit BOR members now, isn't requiring training going to make things worse?**

The evolving complexity of the property tax has increased the expertise needed to understand and apply the law. While local boards provide the primary quality control check on assessments, board members do not have to possess any knowledge of property tax law or assessing practices. This combination of increasingly complex responsibilities and no expertise requirement often results in misapplication of the law, increasing taxpayer and local unit litigation costs and reducing faith in the system.

The STC will be working with our partner organizations, specifically Michigan Townships Association to ensure easy access to Board of Review training and we will also provide an online option.

**Miscellaneous:**

**I heard that now Villages have to get their own assessor's is that true?**

No. P.A. 660 did make a change to the way Villages are assessed but only in very specific circumstances and if the Village wants to make a change. Specifically the Act indicates that a Village that is located in more than one assessing district, may request the STC to approve that the assessing for the Village be combined with the assessing of property in 1 of the local units, thereby eliminating the need for the Village to be assessed in two different local units and potentially by two different assessors.

**When does this all go into effect?**

While the majority of the reforms do not go into place until 2022, local units can prepare now and put in place processes and procedures to ensure they are meeting the requirements once they "go live" in 2022.

**So what is going to be happening over the next few years until this goes into effect?**

There will be a lot going on at both the State and local levels to prepare for the 2022 implementation. First, the Department of Treasury has implemented a website dedicated to assessing reform. This website will be updated with things local units need to know, required forms and key dates. Second, the Department also has a dedicated email address for anyone who has questions regarding the reform. Finally, we are working with our partner organizations on information sessions and training opportunities.

**What should local units be doing to prepare?**

The most important thing that local units can do now to prepare is to ensure they are meeting the requirements in the current AMAR and if not, that they work to ensure corrections are made to bring them into compliance. Local units should talk to their assessors to ensure they are following the AMAR minimum requirements. Local units can find more information on the AMAR on the STC website under the AMAR tab. This link provides information on

each of the AMAR requirements and the statutory authority or STC policy associated with each requirement.

**What is the STC going to be doing?**

The STC will be working on issuing guidelines, updating their rules and providing formation on the various components of the reform. This includes development of the audit program, implementation of Board of Review training programs, as well as defining key terms such as substantial compliance.

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GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY

RACHAEL EUBANKS  
STATE TREASURER

**DATE:** May 28, 2019

**TO:** David A. Buick, Acting Executive Director  
State Tax Commission

**FROM:** LaNiece Densteadt, Departmental Analyst  
State Tax Commission

**SUBJECT:** Re-certifications and New Certifications of Computerized Tax Rolls

The following units have certified that the requirements of Act 112 of 1990, MCL 211.42a as amended, and the conditions of Public Act 140 of 2015 are being met and request the State Tax Commission certify the computerized tax roll. All required documentation has been received and reviewed.

These certifications will expire **May 1, 2022**.

Date printed: May 17, 2019

**New Certifications:**

**Ingham County**

Williamstown Township

**Jackson County**

Village of Concord

Grass Lake Township

Village of Hanover

**New Certification Denials: None**

**Recertification's:**

**Alcona County**

Curtis Township

**Genesee County**

City of Burton

Clayton Township

City of Linden

Mundy Township

**Gogebic County**

Bessemer Township

**Hillsdale County**

Somerset Township

**Isabella County**

Broomfield Township  
Denver Township  
Gilmore Township  
Isabella Township  
Nottawa Township  
Rolland Township  
Vernon Township

**Jackson County**

Hanover Township  
Napoleon Township  
Norvell Township  
Village of Parma  
Rives Township  
Sandstone Township  
Spring Arbor Township  
Tompkins Township

**Kent County**

Algoma Township  
City of Walker

**Livingston County**

Green Oak Township

**Macomb County**

City of Eastpointe

**Midland County**

Edenville Township  
Homer Township  
Hope Township  
Ingersoll Township  
Larkin Township  
Lee Township  
Lincoln Township  
City of Midland

**Osceola County**

Burdell Township  
Cedar Township  
Hartwick Township  
Highland Township  
Middle Branch Township  
Orient Township  
Osceola Township  
Rose Lake Township



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**DATE:** May 28, 2019

**TO:** David A. Buick, Acting Executive Director  
State Tax Commission

**FROM:** LaNiece Densteadt, Departmental Analyst  
State Tax Commission

**SUBJECT:** New Certifications and Recertifications of Computerized Assessment Rolls

The following units have certified that the requirements of Act 206 of 1893, MCL 211.24 as amended, and the conditions of Public Act 25 of 2016 are being met and request the State Tax Commission certify the use of a computerized database as the assessment roll. All required documentation has been received and reviewed.

These certifications will expire **May 1, 2022**.

Date printed: May 17, 2019

**New Certifications:**

**Hillsdale County**

Somerset Township

**Jackson County**

Henrietta Township

**Lenawee County**

Franklin Township

Rollin Township

Woodstock Township

**Monroe County**

City of Milan

**Oceana County**

Newfield Township

**St. Clair County**

Columbus Township

**Washtenaw County**

City of Milan

**Wayne County**

City of Flat Rock

**Recertifications:**

**Allegan County**

Saugatuck Township

**Berrien County**

Chikaming Township

**Kalamazoo County**

Comstock Township

**Kent County**

Alpine Township

City of Walker

**Oakland County**

White Lake Township

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